

Underground Storage Tanks Credit

Phone Numbers

For assistance, please contact one of the Taxpayer Information and Assistance help numbers:

Phoenix(602) 255-3381
Tucson(520) 628-6421
Other Arizona areas1-800-352-4090
Form Orders(602) 542-4260
Forms by FAX(602) 542-3756
Recorded Tax Information
Phoenix (602) 542-1991
Other Arizona areas1-800-845-8192
Hearing impaired TDD user
Phoenix(602) 542-4021
Other Arizona areas1-800-397-0256
Internet<http://www.state.az.us/revenue>

General Information

For taxable years beginning from and after December 31, 1993, an income tax credit is allowed for expenses incurred by an individual or corporate taxpayer for corrective actions taken with respect to the release of a regulated substance from an underground storage tank.

The credit is only allowed to an individual or corporate taxpayer not liable or responsible for corrective action as an owner or operator of an underground storage tank under Title 49 of the Arizona Revised Statutes.

The amount of the credit is equal to 10 percent of the amount spent by the taxpayer during the taxable year for corrective actions which have been certified by the Department of Environmental Quality as having been performed and as having met the requirements of ARS § 49-1005.

A credit is not allowed for any amount reimbursed to the taxpayer by the Department of Environmental Quality under ARS § 49-1052.

Line-by-Line Instructions

Complete the name and taxpayer identification number section at the top of the form. Fiscal year basis taxpayers must indicate the period covered by the taxable year. Answer the eligibility questions. Attach the completed form to the tax return.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal employer identification number. Paid tax preparers must also include their TIN on forms where requested. Taxpayers and paid preparers failing to include the proper TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly. Missing, incorrect, or unclear identification numbers may cause delays in processing the returns.

ARS §§ 43-1085 and 43-1173 do not contain any provision for the sharing of this credit by more than one taxpayer. These sections also do not allow this credit to be passed through from a partnership to its partners or from an S corporation to its shareholders. Therefore, the credit provisions contained in ARS §§ 43-1085 and 43-1173 are applicable only to the individual or corporate taxpayers who incur the qualifying expenses.

There are no provisions for a carryover of unused credits.

Part I - Schedule of Corrective Actions

Lines 1 through 10 -

Enter information relating to the corrective actions taken by the taxpayer.

Column (a) - enter the date the corrective action was taken.

Column (b) - enter the current taxable year's cost less any amount reimbursed by the Department of Environmental Quality for the corrective action.

Column (c) - enter the amount of credit allowed for the corrective action. The amount of the credit is equal to 10 percent of the amount spent (column (b)) during the taxable year for each corrective action.

Do not claim a credit for amounts spent which have been reimbursed by the Department of Environmental Quality.

Line 11 -

Add the amounts entered on lines 1 through 10 in column (c). Enter the total on line 11, column (c).

Part II - Calculation of Tax Credit for Current Year

Line 12 -

Enter the amount from line 11, column (c). This is the total available credit for the current taxable year. Enter this amount on Arizona Form 300, Part I, line 10, or Arizona Form 301, Part I, line 10.

Part III - Description of Corrective Actions

List the corrective actions taken with respect to a leaking underground storage tank.

An individual or corporate taxpayer may claim the credit only if the taxpayer is not responsible for the corrective action as an owner or operator of the underground storage tank. The corrective actions must have been certified by the Department of Environmental Quality as having been performed and as having met the requirements of ARS § 49-1005.